

Message Text

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42

ACTION NEA-16

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 PM-07 NSC-07

SP-03 SS-20 RSC-01 L-03 H-03 CIAE-00 INR-10 NSAE-00

MC-02 AID-20 OMB-01 TRSE-00 EB-11 ACDA-19 PRS-01

DRC-01 /126 W

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O 161205Z JUN 74

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 7545

SECDEF WASHDC//ASD/ISA(SA)/DSAA IMMEDIATE

INFO HQ DA WASHDC//DALO-IL//DAEN-MCC-G//DUSA IMMEDIATE

CDR AMC WASHDC//AMCIL//AMCPM-NG IMMEDIATE

DIVENGR MED LEGHORN ITALY//MDDVE IMMEDIATE

DISTENGR SA RIYADH SAUDI ARABIA//AMCPM-NG-//MDSVE IMMEDIATE

UNCLAS JIDDA 3443

E.O. 11652: N/A

TAGS: MASS

SUBJECT: FMS-SANG

REF: A. OPR IMMEDIATE MSG, AMCPM-NG1, DTG 121433Z

JUN 74 NOTAL).

B. ASD/ISA MSG DTG 142105Z MAY 74.

C. STATE 105719

D. JIDDA 2872

1. AMBASSADOR, SAUDI ARABIAN NATIONAL GUARD (SANG) PROJECT MANAGER, DEPUTY COMMANDER SANG, DEPUTY MINISTER OF FINANCE (MUHAMMAD ABA KHAIL) AND OTHERS MET ON 15 JUNE TO DISCUSS REMOVAL OF NOTES 1 AND 2 FROM FOREIGN MILITARY SALES CASE COVERING MODERNIZATION OF SANG (CASE ZAC).

2. SAG REPRESENTATIVES AGREED TO REMOVAL OF NOTES 1 AND 2 PROVIDING ATTENDEES AT MEETING SIGNED A "PROTOCOL" AGREEING TO ACCEPT THE PRINCIPLES OF THE THREE POINTS REFERRED TO IN UNCLASSIFIED

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NOTE 1. IN ESSENCE WE WOULD AGREE TO FOLLOW THE TYPES OF

CONTRACTS LISTED IN THE ARMED SERVICES PROCUREMENT REGULATIONS AS FIXED PRICE OR TIME AND MATERIALS. PRICES WOULD BE IN US DOLLARS WITH NO REVALUATION PROVISIONS. CONTRACTS NOT MEETING ABOVE CRITERIA WOULD REQUIRE PRIOR APPROVAL OF SAG.

3. WE BELIEVE THAT SAG POSITION FOLLOWS CONDITION A2 ON REVERSE OF DD FORM 1513 BUT WANT YOUR APPROVAL OF THIS APPROACH BEFORE WE INITIAL ANY SUCH UNDERSTANDING.

4. A REPLY IS NEEDED BY JUNE 18TH SINCE WE MUST DECIDE ON WITHDRAWAL OF THE REQUEST FOR PROPOSAL FOR THE TRAINING/ LOGISTIC CONTRACT AND NEGOTIATION OF A DELAY OR TERMINATION OF THE CONTRACT TO CONSTRUCT PMO HOUSING. IF THIS IS NOT ACCEPTABLE WE WILL ALMOST CERTAINLY BE FACED WITH LENGTHY NEW NEGOTIATIONS.

5. A FIRST DRAFT OF THE "PROTOCOL" FOLLOWS" FOLLOWS:

A. IT IS AGREED UPON THAT BOTH PARTIES AIM AT REALIZING THE SANG MODERNIZATION PROGRAM IN THE BEST AND MOST ECONOMICAL MANNER.

B. THE AMERICAN PARTY SHALL APPLY THE THREE CONDITIONS MENTIONED IN THIS PROTOCOL WHENEVER THEIR APPLICATION IS POSSIBLE AND LEADING TO THE AIM STATED IN PARAGRAPH (A) ABOVE, BY CONCLUDING FIXED PRICE CONTRACTS IN AMERICAN DOLLARS. THE CONTRACTS WITH THE CONTRACTORS HAVE TO BE CONCLUDED ON THE COST-BASIS OF MAN/MONTH, FIXED SALARIES PAID TO THE CONTRACTOR, WHO BY TURN, PROVIDES HOUSING AND OTHER NEEDS FOR THESE INDIVIDUALS, UNLESS THE PREVAILING CIRCUMSTANCES AT THE TIME OF AWARDING THE CONTRACT MAKES IT IN THE BEST INTEREST OF THE SAG TO APPLY OTHER CONTRACTING METHODS PURSUANT TO THE CONTRACTING PROCEDURES APPLIED BY THE U.S. GOVERNMENT. IF THIS IS THE CASE, AGREEMENT ON THESE SUBSTITUTIONAL METHODS MUST BE REACHED BETWEEN THE TWO PARTIES IN ADVANCE.

C. IN ORDER TO AVOID ANY TECHNICAL OR LEGAL MISUNDERSTANDINGS (PROBLEMS), THE SALES CASE (ZAC) CONCLUDED ON APRIL 14, 1974
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IS MODIFIED TO DELETE THE TWO NOTES (1 AND 2) WHICH ARE REPLACED BY THIS PROTOCOL.

D. THE SALES CASE (HBB) DATED MAY 3, 1974 SHALL BE CONCLUDED ON THE SAME BASIS REFERRED TO IN PARAGRAPH /C/ OF THESE RESULTS.

6. ACTION REQUESTED: APPROVAL TO SIGN PROTOCOL.

AKINS

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NNN

Message Attributes

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Draft Date: 16 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Reason:
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